

Introduction & Story

Presented by: Janet Topolsky, Elizabeth Myrick, Pat Vasbinder & Sidney Armstrong

## Our Goals This Morning:

- To offer context & touch upon key questions, including:
  - Why is rural different?
  - Why build an engine for rural endowments?
  - Why a framework?
- To introduce the Six Steps of A Thinking & Action Framework
- To walk through each step with the help of an illustrative Big Sky story!

### Part O. Orientation & Context

- Why use this framework?
- What's special about rural community foundations?
- What are some challenges faced by rural community foundations?
- And, finally, lingo, tips, disclaimers...and a plea for beta-user help!

# Why use this framework?

THE NAME OF THE GAME:

Action  $\rightarrow$  Reflection  $\rightarrow$  Adjusted Action

Over time,
the regular and repeated practice of
Action >> Reflection >> Adjusted Action
is what turns a rural endowment-building effort
into a rural endowment-building



# Unlike most institutions in most rural regions, they can offer:

- The Whole Picture
- Strategic Flexibility
- Inclusive and Non-partisan
- The Regional Resource
- Permanence

### Challenges faced by rural community foundations

- Sparse. Distance.
- Everyone knows everybody and their business.
- Asset base in held in different forms, or at least in different balance (e.g., more of it is in land).
- Individuals of great wealth generally are scarcer.
- Typically, a lower-threshold understanding of endowment.
- Trust is critical; the insider and outsider distinction is more important – relevant to who does the "ask"
- But....owning and controlling local resources has great salience

# Lingo, tips, disclaimers...and a plea

 Lingo: Use your own, but explain it please! (hmm....designated or agency?

Tips: Have a REB Team!
 Use the tools and exercises

• Disclaimer: This is a ROUGH draft.

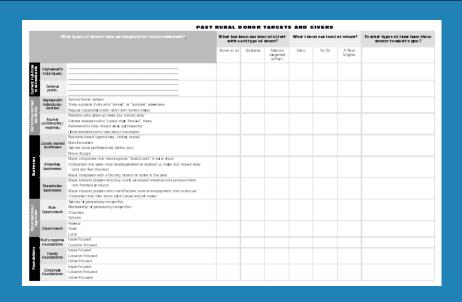
• Help! Calling all beta-users! That's you!

## Step 1. Know Yourself

- Why bother with this step?
- Who should help with this step?
- What to know:
  - Ages & Stages
  - Assets
  - Operating Budget
  - Staffing Capacity
  - Board Make-up and Capacity
  - Mix of Current Endowment Funds
  - Past Rural Donors & Targets
  - Past Rural Endowment Building: Successes & Failures

### Tools and Exercises ...

Past Rural Donor Targets & Givers p. 20



	Have we tried it to build na affocused endow ment?			n	Fwe've tried	E, how well has it worked to build rural-focused endowment?	Have we succeeded with this tactic in any non-raral endowment effort?
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Cultivate one-on-one relationships							
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Offer menu of "high touch" donor services:							
Emphasize closor-advised flunck							
Emphasize agency endowners & actolarships							
Emphasize community & area funds							
Emphasize issue-oriented funds							
Emphasize foundation's leadership & program delivery							
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Driver							
Other							

Past Rural Endowment Building: Successes & Failures p. .23

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# A Montana Moment

### Step One

### Step 2. Know Your Environment

- Why scan your environment?
- Rural Giving and Giving Potential
  - Giving & Giving Potential among donor groups
  - Sources and Resources
- Area Competition
  - Sources and Resources
- Area Culture and Economy
  - Sources and Resources

### Donor Targets - p..30

### **Current full-time residents**

- High-wealth
- General public

### **Part-time/former residents**

- High-wealth
- Alumni

### **Businesses**

- Locally owned
- Absentee
- Stakeholder

### Organizations/agencies

- Non-government
- Government

### **Foundations**

- Nat'l/regional
- Family
- Corporate

	63	CERCISE 1: R	UR AL GIVIN	AND GIVIN	G POTENTIAL			
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Nat'l/ regional Foundations								
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Corporate Foundations								

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# A Montana Moment

### Step Two

## Step 3. Set Your Position & Goal

- What is "position" and what are "positioning statements" – why should we care?
- Determining your current position:
  - Who are we?
  - What business are we in?
  - Whom (which people, organizations, communities, regions, populations) do we serve?
  - What special needs of our customers do we address?
  - With whom do we compete in serving these customers?
  - What makes our products and services different from what our competitors offer?
  - What is the unique benefit or value our customers derive from our products and services?

### Who do we want to be?

### **Developing a positioning statement:**

 Same basic questions, but this time: imagine whom you would like to be...

What would it take to get you there?

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анэ	RT 2. THE FIVE YEAR FORECAST	WHAT IS OUR DESIRED MARKET	PO SITION?
Question	What I wish for my community foundation	My reasons for that answer	Two things that would help us get there
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What makes our products and services different from what our competitors are officing?			
What if any is the unique benefit or value our oursament our early did the front our products and serviced?			

## Prevailing Positions

**Community Vitality** 

**Nonprofit Vitality** 

**Regional Vitality** 

**Donor Services** 

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### Community Vitality Emphasis Regional Vitality Emphasis Donor Service Emphasia to exist calls include a deceasing an the individuals and to note on the most audustra. 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RURAL COMMUNITY FOUNDATION PREVAILING POSITIONS

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# Set your goal!

- What is our rural endowment-building goal?
  - What type funds do we want to build?
  - What type & number of donors do we want to target?
  - How much can we realistically (but bodaciously) raise?
  - Over what period of time?
- GOAL STATEMENT:

To build rural endowment and enhance rural vitality, we will raise \_\_\_\_\_ dollars from \_\_\_\_\_ donors (number and type) through \_\_\_\_\_ type/mix of funds over \_\_\_\_ time.

# A Montana Moment

## Step Three

# Step 4. Choose Your Tactics

### Matching Tactics with Donor Targets p. 59

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	Current Denors		Carrent Residents		Part-time/Former Residents			Recire cost		Organizations		Foundations			
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Emphasize leadership & program delivery								×	×	×		×	×	ж	

## Exploring Tactics

- Educate Professional Advisors
- 2. Cultivate One-on-One Relationships
- 3. Sponsor Exclusive Events
- 4. Sponsor Community Events
- 5. Provide Match Incentive
- 6. Pitch via Direct Mail
- 7. Reach Out to Media
- 8. Ensure Basic Donor Services
- 9. Offer Menu of "High Touch" Donor Services

- **10.** Emphasize Donor-Advised Funds
- 11. Emphasize Agency Endowments & Scholarships
- 12. Emphasize Community & Area Funds
- 13. Emphasize Issue-Oriented Funds
- 14. Emphasize Foundation's Leadership & Program Delivery
- 15. Others ??

### Tactic by tactic ... example: Sponsor exclusive events.

### **Explanation of the Tactic**

• CF joins with individual donor/host to invite high-wealth prospects to invitationonly dinner, cocktail hour, exhibit or reception where guests mingle or tour a beautiful home; at some point during the event, guests hear some information about the CF, what it does and how they can become involved.

### **Best Donor Target(s)**

- High wealth donors (current & prospective)
- Second home owners

### **Helpful Capacities (for implementing the tactic)**

- Event planning expertise
- The right guest list & host: people/homes that others admire, envy or aspire to be
- Ability to follow up event with a specific request for a gift or "the ask"
- and so on

### Example: Sponsor exclusive events. cont.

### **Obstacles/Challenges**

- Cost—these are not events to "skimp" on—helps if the host offers to foot the bill
- Inviting the right people, timing, etc.—events must be well-orchestrated; do not want to become "just another cocktail party"
- and so on

### Pay off

- Introduces foundation to high wealth individuals through an admired friend/colleague
- Sense of excitement around community endowment; gives staff a reference point when following up on new prospects: "I met you at so-and-so's home ... "
- and so on

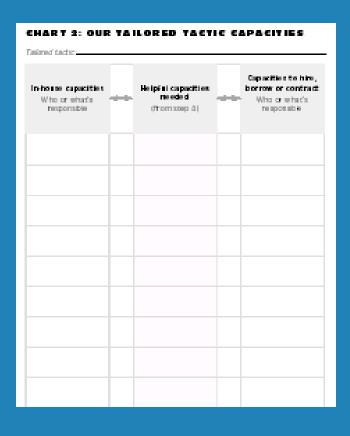
Pay-off Horizon: Mostly intermediate or long-term

**Gifts:** Bequests and, depending on event, gifts to field of interest funds

**Examples:** New Hampshire Charitable Fdn., Maine Community Fdn.

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## Step 5. Gauge Your Capacities - p. 104



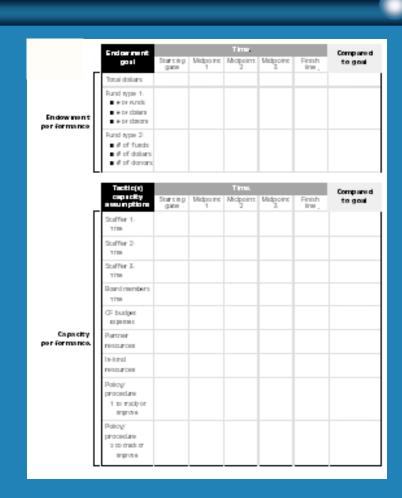
- Why (and when to) consider capacities?
- Remember The Core
  - Decision-making capacities
  - Operating capacities
- Going To Market
  - Positioning capacities
  - Goal and tactic capacities

# A Montana Moment

# Steps Four & Five

## Step 6. And, so what? - page 108

- Why add all this work to track progress? "Won't we just know SUCCE\$\$ when we see it?"
- Develop a plan (and do it!)
   to track and assess
   progress.



# THE NAME OF THE GAME: Action → Reflection → Adjusted Action

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# A Grand Montana Finale

Step Six — The Happy Ending!